

**MONTANA SURPLUS LINES SUBMISSION FORM**  
**INDEPENDENTLY PROCURED SURPLUS LINES INSURANCE POLICIES ONLY**

NOTICE: Complete entire submission form. Do not leave any blanks. Write "NA" if any question is "not applicable." Incomplete submission forms will be returned.

<b>1</b> IS THIS A MULTI-STATE RISK      YES      NO	<b>2</b> IS MONTANA THE HOME STATE      YES      NO
<b>3</b> IS POLICY INDEPENDENTLY PROCURED      YES      NO	<b>If Montana is not home state no filing is required</b>

INSURED: **4** \_\_\_\_\_  
MT ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

POLICY NUMBER: **5** \_\_\_\_\_  
← RISK LOCATION ONLY  
← RISK LOCATION ONLY

IS THIS FILED ON A BINDER?  
YES    ☐ NO    ☐

**PART 1: Affirmation Of Independently Procured Insurance Policyholder**

The undersigned hereby affirms that the insurance, which is subject to this affirmation, is in accordance with Title 33, Section 33-2-301 et seq., MCA, the Surplus Lines Insurance Law of the State of Montana. The insurance which is the subject of this affirmation was not procured for: 1) The purpose of securing advantages as to the terms of the insurance contract and; 2) the purpose of obtaining a lower premium rate than would be accepted by the authorized insurer except as provided in MCA 33-2-302 (1) (d) (i) and (2). Furthermore: 1) The insurance which is the subject of this affirmation is a line of insurance which appears on the most recent Approved Risk List (ARL) issued by the Commissioner of Insurance; or 2) Immediately before requesting from an unauthorized insurer the insurance which is the subject of this affirmation, I endeavored diligently and unsuccessfully to secure equivalent coverage from authorized insurers holding certificates of authority to transact this line or the full amount of the line of insurance in the State of Montana. and; 3) I am aware that prior to placing the insurance that the surplus lines insurer with whom the insurance is placed is not authorized in this state and is not subject to the same supervision as an authorized insurer; and in the event of the insolvency of the surplus lines insurer, the property and casualty guaranty fund of the state will not pay losses under the surplus lines coverage.

Is the risk included on the most recent Approved Risk List? ☐ YES or ☐ NO    If so, in which category? (Ex: GL-01) **6** \_\_\_\_\_

If not included on the most recent ARL describe:      **1**) Type of Risk    **7** \_\_\_\_\_

**1a**) EXPLAIN in detail why insurance for this risk is unavailable from an authorized insurer: (COMPLETE SENTENCE)

**8** \_\_\_\_\_

**2**) Indicate prior insurer: **9** \_\_\_\_\_      **2a**) Explain why the prior insurer, if an authorized insurer, did not renew:

**2b**) If a renewal was offered, what was the renewal quote?      **10** \_\_\_\_\_ (IF NONE PUT "NONE")

**3**) Are you filing using the 10% AND \$1500 exception? (33-2-302(1)(d)(i) and (2) MCA) (Y or N ) **11** \_\_\_\_\_ (DILIGENT EFFORT IS REQUIRED)

If YES, the financial stability rating system used was **12** \_\_\_\_\_  
and the rating was \_\_\_\_\_ as of \_\_\_\_\_ (effective date).

For Office Use Only:  
Verified rating

**4**) **13** Is the insured an Exempt Commercial Purchaser? \_\_\_\_\_ YES \_\_\_\_\_ NO, If "No" List a minimum of **three** authorized insurers you contacted for your diligent efforts to place this insurance,:

**14A.** \_\_\_\_\_ **14 B.** \_\_\_\_\_ **14 C.** \_\_\_\_\_  
**14\$** \_\_\_\_\_ **14 \$** \_\_\_\_\_ **14 \$** \_\_\_\_\_

**15** I, \_\_\_\_\_, am the person whose name is subscribed below and I affirm that the information contained herein is true.

<b>15</b> _____ <b>Independently Procured Insurance Policyholder Name</b>	<b>15</b> _____ <b>Address of Independently Procured Insurance Policyholder</b>
<b>16x</b> _____ <b>Signature of Independently Procured Insurance Policyholder</b>	<b>16#</b> _____ <b>Date</b> <b>Independently Procured Registration #</b>

**PART 2: Premium / Tax / Fee Information Section- Montana is the Home State**

Name of Unauthorized Insurer(s): **17** \_\_\_\_\_      Lloyds Syndicate # \_\_\_\_\_

Policy Period From: **18** \_\_\_\_\_ To: **18** \_\_\_\_\_      Limits of Coverage: \$ \_\_\_\_\_

If this policy is a multi-year policy with the policy term greater than 12 months, this form is to be completed only in the initial year of the policy. For all Subsequent years report policy premium on the Montana Surplus Lines Multi-Year Policy Premium Form

Policy Premium:      \$ <b>19</b> _____	Fire Premium:      \$ <b>22</b> _____
Premium Tax: (2 ¾%)      \$ <b>20</b> _____	Fire Tax (2.5%):      \$ <b>23</b> _____
Stamping Fee: (1%)      \$ <b>21</b> _____	Inspection Fee:      \$ <b>24</b> _____

**FOR OFFICE USE ONLY:**

ACCEPTED STAMP ONLY

**NOTICE: Under Montana law, inspection fees for the actual cost of inspecting the risk to be covered may be charged. Other fees, such as placement fees or policy fees, are not permitted.**

IF FILING ON PAPER SEND: THE ORIGINAL SUBMISSION PLUS 1 COPY AND 1 COPY OF DECLARATION PAGES AND/OR 1 COPY OF THE BINDER. SEND TO: COMMISSIONER OF SECURITIES AND INSURANCE AT 840 HELENA AVENUE, HELENA, MT 59601

**MONTANA SURPLUS LINES SUBMISSION FORM INSTRUCTIONS**  
**MONTANA IS THE HOME STATE FOR THE SUPRLUS LINES POLICY**

**Part 1 – Independently Procured Insurance Policyholder**

1. Indicate if this is a mulit-state risk by checking “Yes” or “No”
2. If Montana is the home state, then all applicable lines on this form must be completed. If Montana is not the home state, this form does not need to be filed with the Montana Insurance Commissioner’s office. See Appendix for a Home State definition
3. Independently procured insurance policies are obtained directly from the surplus lines insurance company without the services of an agent. If the insured procured this policy directly from a surplus lines insurance company then the “Yes” box should be checked the policy information should be entered on this form.
4. Enter the insured name and address listed on the policy on this line.
5. Enter the Policy Number as issued by the insurance company on this line
6. If the risk is included on the Approved Risk List (ARL), mark “Yes” and enter specific number from ARL. If the answer is “Yes”, three declinations are not necessary. The ARL can be obtained at <http://sao.mt.gov/forms/Exams/Lists/ApprovedRiskList.pdf> . If the risk is not on the ARL, mark “No”. If the risk is not listed on the ARL, then three declinations are necessary.
7. If the risk is not reported on the ARL, enter a description of the risk on this line.
8. Enter a description as to why the insured risk was unavailable from an authorized insurer (which may be due the coverage being unavailable or the risk qualifies for the exemption pursuant to 33-2-302, MCA or any other reason).
9. If this policy was previously covered by an authorized insurer, please enter the complete name of the authorized insurer, as reported on the declaration page of prior policy.
10. If a renewal was offered by an authorized insurer, enter the renewal quote or if a quote was not offered from the prior authorized insurer, enter “None”.
11. If a renewal quote was offered and the insured is able to use the 10% and \$1,500 exemption allowed by 33-2-302, MCA, “Y” should be checked. If the insured is unable to use the exemption allowed by 33-2-302, MCA, please check “N”.
12. Enter the AM Best Financial rating of the unauthorized insurer on this line
13. If the insured qualifies as an exempt commercial purchaser, pursuant to SB 331.
14. If the insured is not an exempt commercial purchaser or policy written is not on the ARL, Section 4a, 4b, and 4c must be completed by entering the complete name (group names such as CNA are unacceptable) and the amount of the quote.
15. Enter the independently procured insurance policyholders name on the signature line.

16. The independently procured insurance policyholder signs the submission form as well as entering the date and the independently procured Montana Registration number, which can be obtained from the Commissioner of Securities and Insurance at 406-444-2040. **An original signature is required.**

## **Part 2 – Policy Premium, Tax and Fee Section**

17. Enter the name of the unauthorized insurer. The complete name of the insurance company must be entered and if using Underwriters of Lloyds (Lloyds of London) the correct syndicate(s) must also be entered. A complete list of Montana eligible unauthorized insurers is located at <http://sao.mt.gov/forms/Exams/Lists/biannlst.pdf>.
18. Enter the policy period from the effective date of the policy to the termination date of the policy.
19. Enter the policy premium. The policy premium listed on the quote is entered on this line. The policy premium may include the inspection fee. If the inspection fee is included in the premium, the stamping fee will include the inspection fee. **Policy fees are not allowed in the State of Montana. The state of Montana does allow inspection fees for the actual cost of the inspection.**
20. The premium tax is 2.75% of the amounts reported as policy premium reported on line 19 plus any inspection fees, reported on line 24. If manually entering these amounts please use the calculator at <http://sao.mt.gov/calculatetax.aspx>
21. Stamping fee is calculated as 1% of the amount reported as policy premium. If entering this amount manually, please use the calculator at <http://sao.mt.gov/calculatetax.aspx>
22. If the amount of fire premium is known, enter the fire premium on this line. If the fire premium is unknown, please use the calculator at <http://sao.mt.gov/calculatetax.aspx> and enter the calculated fire premium amount on this line.
23. The fire tax is calculated by multiplying 2.5% with the premium reported under Fire Premium on line 22. If manually entering the fire tax, please use the calculator at <http://sao.mt.gov/calculatetax.aspx> and enter the calculated fire tax amount on this line.
24. If the inspection fee is reported separately the policy premium reported on line 22, enter the inspection fee for this policy on line 27.

APPENDIX  
SENATE BILL 331 DEFINITIONS

**Authorized insurer** means an insurer authorized pursuant to 33-2-101 to transact insurance in this state.

**Control** - including the terms "controlled by" and "under common control with", means that: (i) the person directly or indirectly or acting through one or more other persons owns, controls, or has the power to vote 25% or more of any class of voting securities of a business entity; or  
(ii) the person controls in any manner the election of a majority of the directors or trustees of a business entity.

**Eligible Surplus Lines Insurer** means an unauthorized insurer that is eligible to issue surplus lines insurance under 33-2-307.

**Exempt commercial purchaser defined.** (1) An exempt commercial purchaser means an individual or business entity who at the time of placement:

- (a) employs or retains a qualified risk manager to negotiate insurance coverage;
- (b) has paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months; and
- (c) meets at least one of the following criteria:
  - (i) possesses a net worth in excess of \$20 million, as that amount may be adjusted pursuant to subsection (2);
  - (ii) generates annual revenue in excess of \$50 million, as that amount may be adjusted pursuant to subsection (2);
  - (iii) employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;
  - (iv) is a not-for-profit organization or a public entity generating annual budgeted expenditures of at least \$30 million, as that amount may be adjusted pursuant to subsection (2); or
  - (v) is a municipality with a population in excess of 50,000 persons.

(2) Effective January 1, 2015, and on every 5th subsequent January 1, the amounts in subsections (1)(c)(i), (1)(c)(ii), and (1)(c)(iv) must be adjusted to reflect the percentage of change for that 5-year period in the consumer price index for all urban consumers published by the bureau of labor statistics of the United States Department of labor.

**Home State** means, with respect to an insured:

- (i) the state in which the insured maintains its principal place of business or, in the case of an individual, the individual's principal residence;
- (ii) if 100% of the insured risk is located outside the state referred to in subsection (i) above, the state with the greatest allocated percentage of the insured's taxable premium for that surplus lines insurance contract;
- (iii) if more than one insured from an affiliated group are named insureds on a single surplus lines insurance contract, the home state as determined under subsection (i) or

(ii) above for the member of the affiliated group that has the largest percentage of premium attributed to it under the surplus lines insurance contract; or  
(iv) if a group policyholder pays 100% of the premium from its own funds, the home state of the group policyholder as determined under subsection (i) above, or if a group policyholder does not pay 100% of the premiums from its own funds, the home state of the group member as determined under subsection (i) above.

**Independently procured insurance** means surplus lines insurance procured directly by an insured from an eligible surplus lines insurer.

**Multistate risk means** a risk covered by an unauthorized insurer with insured exposures in more than one state.

**Principal place of business** means the state where the insured business maintains its headquarters and where the insured's high-level officers direct, control, and coordinate the business activities of the insured.

**Principal residence** means the state where an individual insured resides for the greatest number of days during a calendar year or, if the insured's principal residence is located outside of any state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is located.

**Single-state risk** means a risk covered by an unauthorized insurer with exposures in only one state.

**Surplus lines insurance** means any property or casualty insurance permitted in a state to be placed directly or through a surplus lines insurance producer with an unauthorized insurer eligible to accept the insurance. The term includes independently procured insurance.

**Unauthorized insurer** means with respect to a state, an insurer not authorized to transact the business of insurance in the state. The term includes an insurance exchange authorized under the laws of another state. The term does not include a risk retention group, as that term is defined in the Liability Risk Retention Act of 1986, 15 U.S.C. 3901(a)(4).